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MARKETING STRATEGY PROPOSAL FOR CHOSEN ORGANIZATION

NÁVRH MARKETINGOVÉ STRATEGIE VYBRANÉ ORGANIZACE

MASTER'S THESIS

DIPLOMOVÁ PRÁCE

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Abstract

The Master's thesis focuses on developing a marketing strategy proposal for a chosen organization. Specifies what are the key components for building a possible marketing strategy for a Formula Student team with a focus on innovation in this motorsport industry. The thesis is divided into three parts. The first part focuses on the theoretical interpretation and definition of important concepts of marketing, the second part introduces basic information about the formula team and analyzes the current marketing situation. The last part of the thesis consists of proposals applicable for the TU Brno Racing formula team.

Key words

Marketing, marketing strategy, motorsport, formula student, promotion

Abstrakt

Diplomová práce se zaměřuje na vypracování návrhu marketingové strategie vybrané organizace. Určuje, jaké jsou klíčové prvky pro vybudování marketingové strategie pro tým Formula Student s důrazem na inovaci v tomto odvětví motoristického sportu. Diplomová práce je rozdělena na tři části. První část se zabývá teoretickými poznatky a důležitými pojmy z oblasti marketingu, druhá část obsahuje základní informace o formulovém týmu a analýzu současného stavu. Poslední část obsahuje návrhy pro formulový tým TU Brno Racing.

Klíčové slova

Marketing, marketingová strategie, motorsport, formula student, propagace

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Honorable Statement

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In Brno, 20th of June 2018

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Student's signature

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INTRODUCTION

Every university builds its reputation in its own distinct way. Whether it is a negative or positive image, it is not the organization of university itself, but the people who are working at the university, the students and other stakeholders that will create the final image.

I am happy that I had the chance to study at one of the best technical universities in Europe and even though I do not study a technical field I somehow always was interested in this field. At the end of 2017, I was offered a chance to join the formula student team TU Brno Racing that is located at the Faculty of engineering and didn't take even a minute to agree on the proposal.

Part of the excellent reputation of our university undeniably also belongs to TU Brno Racing formula team and its considerable success in the competition with over six hundred teams from all over the world. My odyssey with the formula team started with an uneasy task to create a business plan for the team (together with my colleague) and ensure the presentation of the business plan will be rewarded with excellent feedback, and our team will be awarded healthy amount of points during the formula student competitions.

The business plan is an integral part of the whole competition. Each team is trying to come up with something new while restricted to the formula student competition rules. The purpose of the competition is to challenge teams of university students to conceive, design, fabricate, develop and compete with small, formula style, race cars. The business plan is closely tied to the marketing of TU Brno Racing as it is its integral part.

Good marketing usually determines vast part of success in the motorsport industry where the best teams usually have outstanding marketing teams working for them. Equally important is also product placement and sponsorship.

The goal of this thesis is to create a marketing strategy for TU Brno Racing team that will reflect the team's current strategy and will complement the business plan.

The thesis is separated into three sections where the first theoretical one describes necessary marketing tools and approaches that are relevant to the formula team as there could be written a lot about marketing.

The second part then offers an insight into the world of Formula Student and the team TU Brno Racing. This part should give a good understanding of the particular elements that are present in this industry and that are necessary to take into considerations when developing a marketing strategy for the TU Brno Racing and its activities.

Finally, the last part offers a proposal for a marketing strategy which is essential for the formula team and it is a mandatory part of the proposed Business plan. In the proposal part will be described feasible suggestions that will ensure the TU Brno Racing team to get the attention of the investors.

I sincerely believe this thesis will serve its purpose well - that is to help TU Brno Racing team to raise awareness about the team, intrigue new partners and investors and contribute to the growth of the formula student competition as such.

GOALS AND METHODS

The goal of the thesis is to develop a marketing strategy for TU Brno Racing formula team. The marketing strategy should mainly focus on such marketing tools that will help the formula team to achieve the best possible results within the Formula Student competition taking into consideration the rules of the competition.

To achieve the main goal, I will focus on fulfilling partial objectives:

First, I need to explore the theoretical background of marketing and its tools and possible ways how to implement it to TU Brno Racing formula team. I conducted secondary research based on various publications or articles to create a theoretical basis of the thesis.

Second, I will analyze the current situation: As a member of TU Brno Racing formula team, I have access to insider information that I will consider while creating a proposal section.

Third, I would like to implement some of the marketing tools to TU Brno Racing and develop a simple but functional marketing strategy customized for the needs of the team and requirements of the Formula Student competition.

1 THEORETICAL BASIS OF THE THESIS

In this part of the thesis, I will present the theoretical background of the diploma thesis, which will be the basis for the analysis of the individual analyzes.

1.1 Marketing definition

Marketing is everpresent. Everyone has certain needs that he or she wants to satisfy, and the wishes he or she wants to fulfill.

There are many definitions of marketing. However, the two most commonly used are:

- The formal definition of marketing: *"Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."* (AMA, 2018)
- The Social Definition of Marketing: *"Marketing is a social process that helps individuals and groups to gain what they need and want, through the creation, offering and free exchange of products and services to others."* (P. Kotler 2000)

In other words, marketing is a kind of art that enables to see the world through the eyes of customers - as the customers are the ones who are bringing the money to the company or the organization.

According to Kotler and Keller (2013) there are ten basic types of objects: goods, services, events, experiences, persons, places, property, rights, information, and ideas.

Good marketing is not only focused on its own marketing issues, but it is rather set in a broader context of business and strategic, tactical and operative management of businesses, organizations, institutions, municipalities, regions, and other entities (Percy, Visvanathan et al. 2010).

What marketing is and is not?

Marketing is a critical part of creating and implementing a corporate strategy that focuses on fulfilling the objectives. Marketing is based on customer relationships. Therefore, the market-oriented management of the company and the organization, where the customer is to some extent the key aspect of the business process (Andersen 2008).

Marketing is one of the activities performed by organizations and a set of processes for creating, communicating and giving value to the customers and managing customer relationships in a way that benefits organizations and interested groups associated with it (Solornon, Marshall, Stuart, 2006).

Marketing involves great knowledge of company issues, market, competition, products. An entrepreneur who cannot drive his or her own marketing and is referred to foreign councils can hardly stay in business for long (Nijssen 2017).

The marketing concept is a business philosophy that says successful achieving of organizational goals is based on identifying customer needs and meeting them more effectively, than that of the competition. This kind of focus on marketing is the opposite of focusing solely on sale where the organization is looking to fulfill their own needs as opposed to the needs of their customers (P. Kotler 2000).

To understand better what marketing is about, it is important to be familiar with what marketing is not.

- Marketing is not sales (Drucker: The goal of marketing is to make sales redundant).
- Marketing is not a customer acquisition but caring for them.
- Marketing is not an attempt to make a profit from each transaction but bringing value to the customer.
- Marketing is not mere communication or advertising.
- Marketing is not a product sale (it is necessary to understand and satisfy the customer's needs)
- Marketing is not an enterprise unit.

Marketing is not a perfect system that will solve everything a manager can think of. It is only a common sense used in the organization of business activities, and in particular in management (P. Kotler 2000).

The main mission of marketing is to create a difference in the company's offer from the other competitors in areas that are essential to the customer. In order to differentiate segmentation, targeting and positioning are applied (Kuniar, 2008).

1.2 Strategic marketing

Views on the term "strategic marketing" (marketing strategy) often vary. According to the Economic Dictionary (Hindls, Holman, Hron, 2003) strategic marketing is a development phase of marketing. Marketing is becoming strategic at the moment when planning future activities is focused on defining potential customers and on the specification of their needs. It, therefore, takes more things into account than the present circumstances. It enables to recognize significant opportunities and risks for enterprise and respond to them earlier than competitors.

Another view of strategic marketing has Kotler, Wong, Sauncicrs and Armstrong (2007), who define it as a process of aligning the company's strengths with groups of customers the company can serve. This is the process that affects overall direction and future of the company. Therefore, knowledge is needed for the whole process, particularly understanding of macro-environment, micro-environments and served markets.

Kern and Peterson in the book Marketing Strategy Problems (1993) do not differentiate between the terms "marketing" and "strategic marketing" and claim that the main purpose of the organization is to create long-term and mutually beneficial relationships between the organization and the public. Managers can not only concentrate on solutions for everyday tasks, but they need to be involved in strategic decision making.

Let's look at the difference between the value that companies offer to their customers (strategic marketing), and the specific product (tactical marketing). At first glance, both types of marketing might look very very much alike. However, it is crucial to distinguish between these two categories of marketing (Gordon 2011a).

Tactical marketing decisions are based on strategic decisions. In particular, these are specific decisions regarding the product offered, its price, promotion, and place. These variables are known as the marketing mix or the 4P (P. Kotler 2000).

Customers are better informed about the characteristics of each product thanks to marketing. In other words, marketing facilitates shopping decisions. Marketing also strengthens the international competitiveness of the corporate sector and stimulates both domestic and foreign demand. The outcome is improving the well-being of the entire

society. In the past few decades marketing has also penetrated beyond the commercial sphere (Cundari 2015).

Nowadays marketing is used not only by companies but more than often by non-commercial entities, such as cultural institutions. Marketing equally helps governmental and nonprofit organizations seeking to redress negative social phenomena - for example unhealthy lifestyles or traffic accidents (International review on public and nonprofit marketing. 2004).

This diploma thesis will mainly focus on consumer markets, where products and services are designed for the general consumer. Ultimately, the highest priority should always be given to working with customers and their needs. The marketing concept is based on the assumption that the company's success depends on recognition of customer needs and the ability to meet these needs better than competitors can do. Therefore, companies should focus primarily on creating value for the customer (Flint, Blocker et al. 2011).

Unlike the sales concept, it is not about looking for the right customers and existing products, but to create such products that customers will appreciate. As already mentioned the ultimate goal of business would naturally be to have a profitable long-term relationship with its customers (P. Kotler 2000).

1.3 Marketing environment

The marketing environment of the company is most often divided into external environment (macro environment and microenvironment) and internal environment. The macro-environment includes political, legal, economic, socio-cultural, technological (PEST) influences. The microenvironment is consists of customers, suppliers, intermediaries, competitors, and influencers. The internal environment of the company consists of management and its employees, organizational structure, material environment, corporate culture, label, interpersonal relationships. Marketing can also be broken down into environmentally controllable environments that are difficult to control, sometimes even uncontrollable. Changes in the environment bring uncertainty, threats, but also opportunities (Makepeace 2012).

1.4 Macro-environment

Macro-environment analysis analyzes the factors influencing the development of the company's macro environment in the past, monitors and reassesses how these factors change over time. The company receives information from this analysis to predict future environmental influences (Makepeace 2012).

Political & legal aspects

Factors of the political situation and legislation (stability government, social policy, foreign trade regulation, tax policy, monopoly legislation, environmental protection) are included. The government is protecting the consumers as well as the producer.

Economical aspects

Factors relate in particular to money, services, goods, information, and energy flows that may affect the existence, position and course of the company (development of gross domestic product, interest rates, inflation and unemployment rate, business life cycle).

Social & cultural aspects

Factors such as demographics, demographic trends, income distribution, population mobility, lifestyle and living standards, recreation, educational attainment, education, access to work and leisure.

Technological aspects

These factors are monitoring the development of means of production, materials, processes, and know-how (discoveries, inventions, patents, overall technological level, production obsolescence, government spending on science and research).

Macro-environment can be divided into three distinct layers:

- Competitors and the market
- Industry
- The macro-environment (broad environmental factors that impact to a greater or lesser extent organizations)

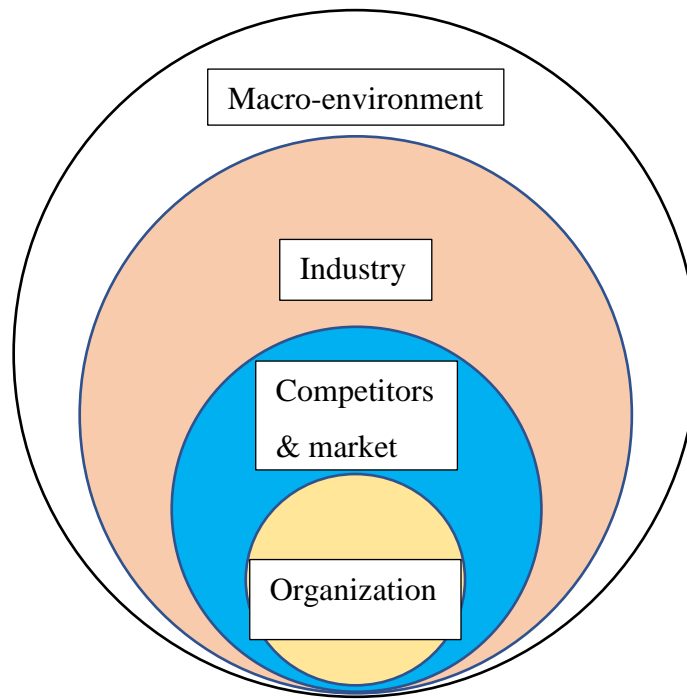


Figure 1 Source: own

1.5 Market environment

The purpose of market research is to focus on information about market size and its development. In particular, it is necessary to determine the characteristics by which the market can be measured and thus its size.

In addition to the size of the market, it is necessary to know the market has developed in recent years and, above all, have some expectations of how will the market developed in the future.

All market's variables are dynamic and evolve. It is, therefore, possible to determine their status at a specific date (static observation), but much more accurate data will provide their tracking over time (dynamic observation) when it is possible to understand and follow certain trends (Dawson 1979).

1.6 Micro-environment

The task of marketing management is to create and maintain a relationship with customers by creating value and customer satisfaction. Success depends on other factors in the

microenvironment of the company - other departments, suppliers, customers, competitors and various parts of the public that together form a corporate value-added system.

Company – To achieve success, it is essential for the departments to cooperate with each other, knowing that the success of the company is linked to the creation of superior value and customer satisfaction.

Suppliers - Companies that provide the resources that are needed to produce goods and services. The company's success depends to a large extent on the choice of the right suppliers.

Customers - are one of the most critical factors in the microenvironment. Customers make up different markets. The 5W model is often used to analyze customers

Table 1 5W model Source: own

5W Model	
Who	Who are our actual and potential customers?
What	What do customers buy?
Where	Where do customers buy it?
When	When do customers buy it?
Why	Why do customers buy it?

1.7 Marketing mix

Once a company chooses an overall marketing strategy, it can start planning details of the marketing mix. Marketing mix is a set of tactical marketing tools that the company uses to adjust supply according to target markets. The marketing mix includes everything a business can do to affect the demand for the company's product. Four possible ways are divided into four groups of variables known as 4P: product, price, promotion, place (P. Kotler 2000).

Product

The product includes all the products and services the company offers to the target market. It can be anything that can be offered on the market for purchase, use or consumption and what can satisfy certain need or desire. The product includes physical objects, services, people, places, organization, and thoughts (GUMMESSON 2000)

Price

The amount of money required for a product or service, or a sum of values that customers are willing to exchange for the benefit of ownership or use of the product or service.

Communication

Actions that communicate the properties of a product or service and the key aspects and benefits of the product to the customers and persuade them to purchase.

Distribution

Any business activities that make the product or service available to customers.

An effective marketing plan combines the elements of the marketing mix into a coordinated program that is set to achieve the objectives of the company. The marketing mix is a set of tactical tools for the company that is helping to achieve a strong position in the target markets. The four "P" represents a view of the salesman on marketing tools available to influence the buyers. From the customer's point of view, every marketing tool should deliver some advantage. Companies are suggested to look at four principles of the marketing mix (4P) as four factors on the customer's side (4C) (Fill 2013)

Table 2 4P to 4C model Source: own

4P	4C
Product	Customer's needs and wants
Price	The cost to the customer
Place	Convenience
Promotion	Communication

Those companies that can meet customer's needs economically, affordable while using effective communication are usually the most successful.

1.8 SWOT

The SWOT analysis identifies key strengths and weaknesses, opportunities and threats. SWOT analysis processes and highlights key items and focuses primarily on the company's internal environment, internal business factors (Percy, Visvanathan et al. 2010).

Management has to recognize the significant opportunities and threats that society faces. The purpose of this analysis is to force the manager to anticipate important trends that may impact the company. Opportunities can be, for example, demographic change, economic climate, the market, technology. Threats can be the activity of the competitors, demographic changes, politics.

The strengths and weaknesses in the SWOT analysis do not include all the features of a business company, but only those that are critical success factors. A list too long shows the inability to distinguish what's important. Strengths and weaknesses are relative, not absolute, and should always be based on facts (Blythe 2010).

Table 3 SWOT Analysis Source: own

Strengths Things that create advantages for the customers as well as for the company. Internal factors like resources, unique skills, knowledge are helping the company to have a strong position in the market.	Weaknesses Items that the company does not do well or activities that other competitors do better.
Opportunities Activities that could help to increase the demand or that could increase the customer's satisfaction and help the company to be more successful.	Threats Factors (trends) that can decrease the customer's demand or cause customer's dissatisfaction.

1.9 Marketing communication

Basic communication disciplines include advertising, direct marketing, sales promotion, public relations, event marketing, sponsorship, personal sales and online communications; Advertising is the most important means of creating and enhancing of brands as it can effectively raise the level of awareness about the brand and influence the associations given by the brand. Another benefit of advertising is the ability to reach out to large segments - the populations (Fill 2013).

Depending on the media being used, television advertising, radio advertising, print media advertising, outdoor advertising, cinema advertising, product placement and online advertising are distinguished (P. Kotler 1984).

Each advertisement medium has its advantages and disadvantages that the marketing department ought to consider when planning advertising campaigns.

The advantage of television advertising is its large impact. The television is also a mass media medium with which it might be relatively easy to reach almost the entire market.

On the other hand, the important disadvantage of television is its overload with advertising, which results that the viewers often switch between stations during the break, leave the room or I do not pay enough attention to advertising (Geis 1982).

Radio advertising allows targeting relatively clearly defined segments that are listening to the particular radio stations and address listeners with a similar musical taste that is often closely related to their lifestyle and demographic characteristics. Also, the radio advertising offers good regional targeting. The disadvantage of radio advertising is, however, the fact that a considerable number of listeners listen to the radio during other activities and therefore they do not really pay much attention to the advertised message (Hertz 2013).

Print advertising includes newspaper and magazine advertisements. The advantage of this type of advertising is particularly the ability to pass on more complex information. The disadvantage is that the readers usually won't notice printed advertising media as they often only briefly browse the newspapers or magazine (MacRury 2009).

Outdoor advertising includes billboards, points of sale displays, street furniture (telephone booths, bus shelters) illuminated showcases at city public transport stops, poster areas that people encounter outside their home. Outdoor advertising works for passers-by 24 hours a day, even repeatedly (Stahlberg 2010). Also, it allows a variety of advertisements to be quite creative. However, this type of advertising has its own negative aspects. For example, only a very brief marketing message can be placed on billboards. If passersby fail to understand the message in about two seconds, the billboard did not fulfill its purpose (Krols 2007).

Advertisements in cinemas are broadly similar to TV commercials, but they can be even more impressive. The younger segments of the population mostly visit cinemas, so the cinema advertising is relevant only in limited cases (P. Kotler 2000).

Product placement means the placement of a brand in movies, television shows, series and other audiovisual works. The immense advantage of this type of advertising is the possibility to connect the brand with a suitable figure, thereby reinforcing the desired associations of incorporating the brand into the theme of a given film or other audiovisual work (Lehu 2007).

The problematic part is to ensure the brand product will be visible but at the same time will not be disturbing otherwise the effect of the product placement may be negative.

Online advertising includes various types of advertising banners. Unlike with the other advertising media the internet is characterized by the most accurate targeting (P. Kotler 2010).

Internet advertising can also be interactive however as with the other types of advertising the online advertising suffers from being overlooked by internet users. This phenomenon is known as the banner blindness (P. a. Kotler 2017).

Direct marketing focuses on very narrow targeting segments or even individuals. Typically, these are the most promising customers or the most profitable existing customers. This makes direct marketing very different from advertising that is primarily targeted on mass segments (Flint, Blocker, et al. 2011).

An important tool for direct marketing is **telemarketing**, which is marketing communication via the phone. Telemarketing usually follows direct mail or e-mail

campaign. People who have received direct mails or emails have a certain amount of time the offer is reminded by phone. This enables total direct marketing effectiveness campaign to multiply (Rowan 1999).

Sales promotion is a communication discipline involving a whole range of tools that stimulate an immediate sale. These are, in particular, direct discounts on product prices. Other typical tools sales promotions are special packages (for example, buy three get one for free), coupon discounts, product samples distributed to potential customers free of charge (sampling), presents and various competitions (MacRury 2009).

All of these instruments use certain financial or non-financial rewards that should stimulate the potential customers to buy or at least test the product. The distinctive advantage of these tools is the ability to trigger an immediate and noticeable increase in sales. Therefore sales promotion is very popular (Piper, Magazine 1980).

On the other hand, sales promotion tools are also associated with some negative aspects. Above all, they are very expensive. Also, sales growth is often offset by following decrease (because customers are pre-supplied during the promotion, and then after some time they do not buy the product). Many sales promotion campaigns, therefore, end up with the loss (Fill 2013).

Sales promotion may be negatively affecting the brand value in certain cases. This applies in particular to lower the price of the products. Pricing is usually a key component of brand positioning. If the price of a particular the product drops, albeit only for a short time. As a result, the perception of quality may also decrease. For example, Apple's policy is that it never offers discounts on its products (Nijssen 2017).

The sales promotion includes another significant group of tools whose importance has increased significantly in recent years. These are on-site sales - Point of Purchase (POP) or Point of Sale (POS), which include various stands, posters, banners, models of products and other communication tools located in retail stores (Stahlberg 2010).

Purpose of POP or POS is attracting attention and influencing the purchasing behavior of a potential customer with tools that provide direct customer contact with the product. Marketing communication in the form of point of sale is the most important trigger for consumers' impulsive shopping behavior (Stahlberg 2010).

Event marketing, sponsorship

Two other communication strategies, event marketing, and sponsorship share a number of same characteristics. However, there is one significant difference between these two. Event marketing is based on organizing actions for existing or potential customers. Sponsoring, on the contrary, is only associating a sponsor with a particular event. Hence the event (most often sports or cultural background) is not organized by the sponsor directly, but the sponsor provides the third party with an agreed financial or non-financial reward (Kahle, Close 2011).

The purpose of event marketing is to convey the target group emotional brand experience. Such event should induce positive emotions in a given target group, and consequently result in the increased positive perception of the brand or improved loyalty to the brand. A suitably chosen event can also strengthen brand associations (Kahle, Close 2011).

Sponsorship usually strives for similar goals as advertising, very often it is its main goal to raise awareness of the brand, as well as brand image enhancement. The company should not settle for a mere presentation of its logo during the event; the company should try to communicate more effectively with its partnership (Collett 2011).

1.10 Online communication

During the last years, the online communication has affected practically all other ways of communication. In advertising are used online banners, in direct marketing, it is the use of e-mailing, in support of sales it is the online coupons.

However, some of the online communication tools cannot be included in any of the previous communication tools as it is with websites and social media campaigns (P. Kotler 2010).

Web projects

The website has become an essential part of marketing communications, and it has many functions. It has become one of the basic means of marketing communication on the Internet. Such website enables, for example, direct sales (through e-shops) as well as

enhancing the brand image. Perhaps the most distinctive feature of the website is its informational purpose (Nijssen 2017).

There are three different website projects:

Website presentation – its objective is to influence or change the behavior of a specific group of people – it represents certain product or service and is very often also the channel for sale.

E-shop – sells products or services online – its objective is not only to present the products or services but to sell them in the first place

Web application – it utilizes specific problem of its users throughout its functions. The web application is not a channel for sale of the product; web application is the product itself. The ultimate goal of the designer of such web application is to let the users develop a new custom – web application should seamlessly fit into their lives.

Customers have become used to search for more product or service information on the internet before some prominent shopping decisions. This is critical for a number of companies, which constantly fight for the best results and highest ranks in web search engines. Companies are therefore making the content of the website more attractive and use other procedures to improve the results of search engines (Brown 2012).

Web projects are nevertheless only one of the tools of online marketing, and its chances to work effectively without related marketing activities are limited.

Social media

Social media represents social networks (Facebook, Instagram, Twitter), discussion forums and blogs. Users create and share a variety of content within these apps (videos, music, photography, experience, experiences.).

Social media are the place where "collective wisdom" is gathered and where the opinion about a particular product is mostly true. For this reason are social media are very popular and perceived as a more trustworthy source of information than traditional media. Nevertheless, most of the content is taken from other sources - websites, articles, printed media, television, and there are many photos and videos in addition to the text content. Although people spend only a fraction of their time on the social media to buy products,

many companies are using the social media as a new platform where they try to sell their products (Brown 2012).

The function of advertisement is not only to attract attention but also to make customers decide to buy and lead them to actual purchase. Today, the advertisement in traditional media and on the Internet is still compelling when it comes to attracting attention; however many people will try to verify the message of the advertising on social media (Brown 2012).

Social media are not primarily intended to promote and advertise, even though it is happening. The role of social media is to maintain communication with the customers. Communication with customers takes place even in the traditional media, but it is only one way (from the company to the customer). In social media, it is both way communication. Communication and community is the basis of marketing. The social media community is supposed to help the company build awareness and reputation (Gordon 2011b).

Social media are characterized by rating, voting, ranking, commenting, and other similar activities. People can simply communicate what they want. The company must keep track of all this and understand their customers and public.

Social media are not just social networks, as they often misinterpret. Social media can de facto be a website or e-shop using social elements. The social elements are both forums or blogs, as well as linking to a YouTube channel or Facebook profile. To do so, it is still necessary to assign the elements to facilitate the purchase or purchase motivating (Brown 2012).

1.11 E-mailing

E-mailing has four attributes that are very interesting for those who want to use this channel to communicate with their (potential) customers.

Price

Email distribution is not costly compared to other marketing options. Even the rental of email tools like Mailchimp is often cheaper than other campaigns, press advertisements in magazines or banners on the Internet.

Effect

A well-planned campaign will result in increased sales. Emails are particularly useful when send to a targeted group of customers who already have some connection with the sender of the e-mail. Moreover, emailing becomes an active link in building both sales and trust and service. There are almost no limitation in scope, as in print ads or banners. Emails are one of the ways to keep the customers loyal.

Variability

Each of the emails is different. It is possible to customize these business messages to what the sender currently want to sell, to whom the sender want the goods to offer, and what actual discounts should be highlighted. In addition to sales, it is possible to offer the advisory service or notify about the news or changes at the e-shop.

Availability

With mass mail delivery tools, this form of marketing is fast and also very little time-consuming. However, it is neccessary to realize that any email send must be subject to prior thorough criticism. This is the only way to ensure an effective e-mail campaign.

1.12 Guerilla Marketing

Guerilla marketing is most often defined as an unconventional marketing campaign where the goal is to maximize the effect with minimal resources. Guerilla marketing is often unconventional and original marketing communication solutions instead of the classic ones. It is designed for companies that are willing to invest their time and energy in campaigns instead of a large amount of finance, making it possible to reach significant objectives with small investments results. One of the characteristics of guerilla marketing is its low cost. Therefore it is also referred to as financially low-cost marketing. Because of this, it became a favorite tool especially for small and medium-sized businesses that use it in situations where they do not have sufficient financial means to compete with large companies; or cases where their options are limited to being able to win against significant market dominance through the use of classic marketing tools and marketing communications (Saucet 2015).

The potential of guerilla marketing was later noticed by large, multinational companies, that can offer to invest much money even in guerilla campaigns. Therefore, it is not possible to pronounce a clear statement, that any guerilla campaign is financially inexpensive (Serazio 2013).

1.13 E-commerce

E-commerce refers to buying and executing business transactions. The most typical for e-commerce are various online stores: e-shops, online marketplaces, auction systems, websites offering services, but also online advertising, affiliate marketing, Internet marketing and other e-commerce and sales tools (Bidgoli 2002).

E-shop

Apart from the B2B markets, the boom of the Internet also took place in the B2C markets. Nowadays, when more and more users are using the Internet, both on the buyer side, and the sellers, the popularity of e-commerce continues to grow. In 2017 was spent 115 billion crowns on e-shopping in 2017 which is the growth of 18 % from the previous year. The most favorite items to buy were a computer, smartphones, and products like fridges, washing machines.

The consumer is motivated to buy at the online store/e-shop particularly because of the price which may result in comparison with traditional brick and mortar stores often several times lower. Other motives to buy on the internet are speed, easy search, and retrieval of information, the comfort of unlimited opening hours (open 24 hours a day seven days a week) (Rowan 1999).

Some businesses work exclusively on the internet (e.g., Alibaba or Amazon), others combine brick&mortar stores with an e-shop (e.g., Mall.cz.). The form of trading via e-shop is suitable for most companies offering physical products (electronics, books, toys). They also implement mobile application information services telephones, electronic documents). For the sellers, the main advantage is the low cost (no need to pay rent for the property, where the physical store is located, wages, etc.). An advantage is also the possibility of much more precise targeting on the Internet (Kershey 2010).

Also, companies can reach a much larger target group than they would be able to reach if they had only a brick & mortar store. The modern phenomenon in the field of distribution

is the m-commerce that enables customers to buy products over their smartphones or tablets. M-commerce is growing in popularity, for example in Great Britain has experience with m-commerce more than half of the owners of mobile phones.

Frequently used QR code is a cluster of squares in which an online link is hidden. So it is basically about a barcode that is loaded through the mobile phone, and the customer is redirected to an e-shop, where he or she can immediately buy the desired product. The product will be then delivered to him or her (Bidgoli 2002).

1.14 Affiliate Marketing

Affiliate marketing is a form of e-shop promotion based on collaboration with other e-shop partners. Partners are rewarded according to on the number of orders made. The reward is in the form of commission for paid orders that are linked to the partner that brought the customers to the e-shop of the business that is using the affiliate marketing (Prussakov 2016).

Promotions may take various forms. Partners can run their own websites where they present the e-shop or its products. They can use PPC (pay per click) advertising that they point to e-shop or another promotional channel. The final advantage of affiliate marketing is the fact that partners themselves want to promote the e-shop through their website. Thanks to this, they strengthen not only their own web but secondary the e-shop the links are leading to. Also, their reward comes only from paid orders, so the whole system is based on measurable performance (each partner usually has a unique code or link that refers to the e-shop website) (Prussakov 2016).

1.15 Crowdfunding

Crowdfunding is an alternative source of funding for small businesses or business projects that are not yet launched. Crowdfunding is essentially an online collection of funds from various investors. This form of financing can work alongside with the traditional forms of raising financial resources such as bank loans, direct investments, venture capital funds or business angels (Dresner, Dresner 2014).

The foundation of successful crowdfunding is to create a good crowdfunding campaign to address the possible large number of potential investors and to collect the necessary amount of money. Campaigns are running on internet crowdfunding portals for a limited

time, and besides the possibility of getting investment, they can also help in verifying the viability of the idea and interest on demand. This approach can be used for market testing, which can have a greater impact on the company than the actual acquisition of financial resources.

Models of crowdfunding

There are four models of crowdfunding:

1. Donation model
2. Reward-based model
3. Debt-based model,
4. Equity-based model

Donation model

This model is built on donations and the main and, indeed, the only motivation to invest in this type of crowdfunding is a good feeling of contributing to important activity. Such projects usually are charitable or publicly beneficial.

Reward-based model

This model is based on rewards. It is the most commonly used type of model and also the most famous (the term crowdfunding is often used when describing this type of model). This model is also built on a certain extent of altruism. However, it offers the donor/investor some reward such as a product or a service. Such rewards are very often given to the investor after the campaign has ended. The investment in the idea was related to the pre-order purchase.

Debt-based model

This model is based on loans, often referred to as peer to peer lending or P2P lending. This model does not only use the investor's willingness to support a good idea, but the main motivation is to contribute to this type of crowdfunding, is an appreciation of investor's own funds. An excellent example of such service in the Czech Republic is Zonky.

Equity-based model

This model is built by a stake in the company. Provided funds for the investor gives ownership of the firm and, in case of success, profit shares.

1.16 Marketing Smog

People are particularly concerned about the ubiquity and aggressiveness of marketing communications, as well as the fact that pure marketing communications are hardly relevant to the recipient. In this context, we talk about the so-called marketing smog: which disturbs and according to some critics, even reduces the quality of life of people living in developed market economies. It is estimated that every human being in developed countries is daily exposed to three to five thousand marketing messages. This is understandably very rough estimate. The increase in the intensity of marketing communication has been evident in recent years (Janssens, Nijsten et al. 2014).

In response to marketing smog, people try to avoid marketing messages. However, the problem escalates further as the companies respond to the resistance of their customers, and they increase investment in marketing communications.

Companies should understand that customers are not only expecting excellent products or services, but they also require a pleasant experience in their purchase. Companies should not waste the time of their customers; rather they should inform and entertain them. Marketing messages should be relevant as much as possible to the customer (Janssens, Nijsten et al. 2014).

1.17 Customer oriented marketing

The customer could be a person, a household, a company (manufacturer, trader), a state (state institutions and state authority, non-profit organization) and a foreign customer. The customers pay for products or services to gain the expected benefit. The customer is or should be, the most important for each company whether it is a person or a legal entity, regardless of whether he or she is communicating in person or other ways, (by post, telephone, fax or via the Internet). The customer is the one who is "bringing the money to the company." Companies are dependent on (maybe with except for monopolies) keeping the customer happy with the products or services (Cundari 2015).

If a company wants to succeed in a market environment, it needs to research regularly customer behavior and motivation to buy. A satisfied customer is especially crucial for the future of the company (Flint, Blocker et al. 2011).

There is currently no other business approach that would be better suited for today's environmental conditions than marketing. Some see marketing as a form of art of acquiring and retaining customers who enable the company to make a profit. Kotler and Armstrong (2001) also point out that marketing is based on an effort to address less potential customers, but rather to reach prospective customers. Consequently, current marketing does not focus on a wide range of customers but instead focus on those who make the most profits or appear as perspective. Research has shown that 20% of customers bring 80% of the company's profits.

Marketing is an integrated set of activities from performing market research, analysis environment, exploring needs and wishes of customers, and studying their purchasing decision process consumers through conceptual activities, planning, product creation, choice of distribution channels, pricing and contract policy to promotion, marketing management, and others activities (Robinson 1986).

The goal of marketing is to meet needs, wishes and demand of the customers, create value for customers and thereby secure the achievement of the company's goals.

Customers

Of course, the main attention of any business should belong to its customers and to fulfilling their wishes and needs in accordance with the current company's goal (to increase the profit, improve the image, increase the market share). There is a wide range of approaches when it comes to analyzing the customer. One of the most important tasks is to determine who is the target customer what he or she buys, where and when he or she buys it. Only by these findings, it is possible to conduct a more in-depth analysis of customer needs, perception, satisfaction, and other aspects (Andersen 2008).

A possible representative of a customer:

- Consumers - people, households. They buy company's products for their own consumption,
- Manufacturers - Companies. They buy company's products for further use (processing, production).
- Individual traders, organization. They buy company's products to re-sell them
- State institutions, non-profit organizations. They buy company's products for public services.
- Foreign customers - any of the groups mentioned above, who domiciled its place of business in a foreign country.

It is essential to divide the customers because all groups differ in their motivation to buy.

Benefit

The end product can be an excellent, service, idea, information, place, event, experience, person, property (real estate, stock, bond, company), etc. The product is anything that will help the customer to solve some problem. Its purchase will offer the customer some value. Services and products should win the customer's head and heart (Cundari 2015).

Marketing activities play a vital role in generating benefits. The benefit is the sum of advantages that product will bring to the customer. Benefit then creates value. Marketing creates a few different types of benefits to give consumers value, and the benefit of the form - the raw materials are converted into the final product, benefit of space - product availability, time benefit - the product is stored until the customer needs it, and the benefit of ownership - allows to own the product. The benefit of the of non-ownership could be added - provision of the service without actually purchasing the product. An example may be a car, bicycle or a flat (Cundari 2015).

Value has many forms but also many resources – starting from the benefits the product brings, its quality, the image that is associated with it, its physical accessibility and its services, which accompanies the product. The more elusive the value seems, the more

critical it is to understand, that it is the customer who determines the value and each determine it individually.

Value

Value is not determined by what an organization does, but by customers who buy its products and services. Drucker has noticed that customers do not buy products or services, but rather satisfy specific needs. That means that what the customer attaches the value to and what he or she buys often differs from what the manufacturer is thinking he or she is selling. Drucker also emphasizes that it is necessary to look at the issue from the customer's perspective, from outside to inside (Found, Harrison 2012).

The value of the product for the customer is the difference between costs (finance, time, effort, risk, comfort, etc.) that the customer has spent on getting the product and the value the customer has acquired through the ownership of the product or its use (subjective satisfaction, pleasure, amazing experience, social prestige, utility from possession or consumption, profit).

Customers compare the values of different products and products from different businesses. They want to purchase the product to achieve maximum satisfaction. Customer-oriented companies are tracking customer satisfaction and strive not only to meet customer expectations but to overcome them while taking care to ensure the company's profitability (Cundari 2015).

1.18 Segmentation

The purpose of the market analysis, its characteristics and trends are to find an opportunity to segment the market, in other words, to divide the market into commercially interesting and individually distinct parts (*Market Segmentation*. 2012).

At present, companies are very rarely addressing all customers in the market with one product (market unification), but on the contrary, they work with the market with a focus on differentiation. That creates a specialized offer for different customer groups, and that is the purpose of targeted marketing.

Targeted marketing consists of three steps - segmentation, targeting, positioning.

Segmentation represents breaking the market into smaller groups of customers, into market segments that are showing the same or similar purchase or consumption behavior and on the contrary, they show some behavior that differentiates this segment (*Market Segmentation*. 2012).

Market targeting includes assessing the attractiveness of each segment and choosing one or more segments. Attractiveness can be derived, for example, from the size or growth rate of the target market (segment), or the structural attractiveness of the segment or the company's resources and goals. When choosing, the company decides whether to target one, more or all segments (Kershey 2010).

Market placement is a process that is related to specific marketing strategies when are chosen the specific means to obtain the relevant segment. Marketing strategy sets out basic directions to meet marketing goals.

2 CURRENT SITUATION ANALYSIS

2.1 About Formula Student racing competition

This part will briefly introduce the history of Formula Student competition and its rules.

2.1.1 History

Formula Student competition originated from the USA under name Formula SAE where it all started in 1981. First, there were only a few participants in this asphalt racing competition but soon after many more joined. The main idea was that the teams could choose any 4-stroke engine, but the intake was restricted, so the teams were strongly encouraged to modify the engines to achieve the best possible results.

The teams competed in acceleration, maneuverability, endurance and fuel economy while equal scoring weight was given to each of these disciplines. The next year, in 1982 this racing competition became an official event and managed to attract more schools to compete.

In 1985 came cost restriction that resulted in a maximum cost of the vehicle not more than 2000 USD excluding the student labor. Also, the addition of the engine displacement cap at 610 cm³ was included in the updated rules.

In 1986 the competition attracted the first commercial company which was Volkswagen of America that sponsored 1000 USD award to the overall first place team.

In 1989 was registered already 31 schools with 36 vehicles. In 1991 General Motors decided to support the students that competed in the Formula SAE competition with corporate support of the event. The racing event hosted by GM included the speech of the president of GM itself. In the following year, other automotive companies like Chrysler supported the Formula SAE competition.

In 1997 joined the first European team from the University of Leeds, UK and their success at the competition resulted in many more inquiries from other schools outside of North America. At that time, Formula SAE went global.

The 2001 competition had vehicles from Japan, Mexico, South Korea, Canada, Puerto Rico and the United Kingdom and of course the USA. In 2002 registered 140 teams, a

new record. In 2010 Formula SAE recognized three more international competitions – Formula Student Japan, Formula Student Germany, and Formula Student Austria.

Nowadays, there are over 600 teams from all over the world participate in the races. Therefore, there is no need to emphasize the importance of the participation in such a race in the rating and prestige of the whole university.

2.1.2 Rules

The rules and standards of Formula Student form the basis of the competition. There are technical specifications for the design of the vehicles given, the procedure of the contest with static and dynamic events is described, and the point allocation is defined. Since the beginning of Formula Student competitions in the USA almost 40 years ago, the document has expanded steadily, and it grew from four to 183 pages in 2016. One reason is technical progress.

Carbon fiber monocoques and electronic engine control did not have to be considered in the early times. With the introduction of Formula Student Electric in 2010, the rules additionally grew. Furthermore, there were improvements regarding the safety of the vehicle.

The original idea of the rules was to build a small racecar for weekend racers with production costs of 25,000 US dollars maximum. However, there is no such weekend racer community in Europe. Additionally, the costs today are not comparable anymore to those 35 years ago. Besides that, vehicles with an electric drivetrain are much more expensive to build than vehicles with an internal combustion engine.

For this reason, the rules have to be adapted to reality from time to time. With the introduction of Formula Student Driverless, the rules would have been extended another time and grown over 200 pages definitively. Such a complex and expansive document cannot serve the teams as a central guideline anymore. To again assure this important functionality, especially for newcomers, the rules were reviewed entirely, structured and skip the unnecessary. As a result, there is now a structured and well-arranged rules document that sets Formula Student for the future and keeps it attractive for new as well as for established participants.

Today is the competition split into following categories

- Electric Vehicles
- Driverless Vehicles
- Internal Combustion Engine Vehicles

Each team can receive a maximum of 1000 points that are divided into Static Event and Dynamic Events as shown below:

Table 4 Points awarded for categories in Formula Student competition Source: own

	Combustion & Electric Engine Vehicles	Driverless Vehicles
Static Events:		
Business Plan Presentation	75 points	75 points
Cost and Manufacturing	100 points	100 points
Engineering Design	150 points	325 points
Dynamic Events:		
Skid Pad	75 points	75 points
Acceleration	75 points	75 points
Autocross	100 points	-
Endurance	325 points	-
Efficiency	100 points	100 points
Trackdrive	-	250 points
Overall	1000 points	1000 points

Another important aspect of this competition is that every vehicle may only be used for one year, so each year has to be developed a new vehicle. New vehicle must have significant changes in the chassis structure to its predecessor to be classified as new.

Also, students should perform fabrication tasks when possible and professionals may not make any design decisions or drawings. However, the student team may use any information from professionals or academics as long as the information is given as a discussion of alternatives with their pros and cons.

To ensure that Formula Student teams consist of students solely, each team member must be enrolled as degree-seeking undergraduate or graduate students in any university. Team members who have graduated within the seven month period before the competition remain eligible to participate. Students seeking a Ph.D. degree/ Ph.D. students or equivalent are not allowed to participate.

Each vehicle must fulfill many criteria regarding the technical specifications and restrictions of the competition. These technical criteria are stated in the rules of the competition for each type of vehicle category.

2.1.3 Business Plan

The business plan belongs into the static category, and its objective is to evaluate the team's ability to develop and deliver a comprehensive business model how their product – a prototype race car – could become a rewarding business opportunity.

The team must also create an executive summary to convince the potential investors or partners that the team's presentation is worthy of their time, it is required that an executive summary has to be submitted before the competition. The executive summary should contain a brief description of the team's business plan.

The business plan scoring will be evaluated on the categories specified in the following table:

Table 5 Points awarded in the business plan section Source: own

Category	Points
Executive Summary	10
Novelty	10
Content	20
Finances	10
Deep Dive Topic	10
Demonstration and Structure	15
Delivery	10
Questions	10
General Impression	5
Total	100

The Formula Students events in different countries and regions each have a different focus. For example, an increasing number of pure electric racing cars have been taking part in the competitions in Europe and China since the category was introduced five years ago. In Germany, 40 % of the university teams opted for an electric powertrain, while in the USA and Australia the majority of the teams are developing cars with traditional combustion engines. Also, every event has its own unique character, nevertheless the shared aim is to offer a platform that allows students to prepare in a focused way for the future requirements of their professional career.

2.2 About TU Brno Racing

This part will consist of the introduction of the TU Brno Racing team, its vision

2.2.1 Team

The TU Brno Racing team has been participating in the Formula Student competition since 2010. Currently, there are forty members, all of them students of the Brno

University of Technology. About half of them take part in individual races that are usually taking place in different parts of Europe. The team captain is currently Josef Jelínek who is also the main contact person during the competition.

The design team of TU Brno Racing consists predominantly of students of the Institute of Automotive and Transport Engineering at the Faculty of Mechanical Engineering of the Brno University of Technology. Professional support and consultation are available both from Ph.D. students, as well as from senior faculty members or external experts in the automotive industry.

The main goal is primarily to design and construct a one-seater racing vehicle for participation in international competitions held in different corners of the world. However, it is important to note that not only this motivation drives the racing team forward - also the desire to know, to gain experience in the field or work in a prospective team is a personal driving force for all members to achieve the goal - to build an excellent racing vehicle and to be work as a team.

2.2.2 Vision

Sometimes it is necessary to push back the boundaries of a – self-imposed or externally regulated – system in order to be able to find an unconventional technical solution. The racing cars that Formula Student teams build exhibit many small details that show how conceptual walls have been broken down. **Testing boundaries may not always lead to success, but new insight will at least accompany it. And perhaps it will work out next time.**

2.3 PEST Analysis

PEST Analysis will be tailored to the formula team that is funded by the Brno University of Technology and its partners and sponsors, therefore the PEST factors do not have the same influence as they would on a company that needs to sell its service or product in order to survive – the possibility to earn revenue is on the second place while the mission get the best possible award in the formula student is primary.

Political & legal factors

The TU Brno Racing team is not directly affected by many political factors. One of the factors that could have an impact on the team is the fact that the university and university sponsor the team could struggle to get sufficient finances from the education budget as the financing of the university is linked to governmental expenditures.

The team also could be eventually affected by the labor code that could restrict the work of the students in the workshops. For the work at workshops need to be kept in certain legal directions related to the security of work.

The team itself does not have any legal form and is operating under the university's support that makes the team less vulnerable to legal and political decisions.

Economical factors

The TU Brno Racing team could lose its financing due to bad performance during the competition. It could lose its sponsors and partners that are an essential part for the team as they are supplying some key parts of the formula. They give their parts for free, but in fact, they are worth hundreds of thousands or even millions of CZK.

This the financing of the team is undoubtedly related to governmental expenses. So in case, the university would decide not to support the team anymore, it would be probably quite difficult for the team to find new space for its workshop and all the background.

Social factors

These factors are related to the amount of students at the BUT that are interested in joining the TU Brno Racing team to enrich their curriculum and gain some invaluable personal and work experience. In case there would not be sufficient amount of quality students joining the team, that would have definitely impact on the overall performance of the team in the competition. That could be caused either by demographical factors or insufficient number of students going to study at BUT.

Being a part of the team is especially for the students from the faculty of engineering a thing of prestige. TU Brno Racing has developed an excellent reputation that attracts new students to join and helps students later to get a prospective job.

Technological factors

This category has clearly the most significant impact on the performance of TU Brno Racing team as the requirement is to build a new model of the vehicle each year that, to succeed, should have some technological edge over its competitors (other teams in the Formula Student).

To be able to stay technologically advanced over competitors or at least keep up with the average technological improvement in the competition the team needs first of all financial resources and qualified team members that are willing to go the extra mile.

It is the new inventions, smart solutions and thinking out of the box that is often the factor of success in the Formula Student competition.

Table 6 PEST Analysis Source: own

Political	Economical	Social	Technological
University linked to the Gov.	Lost of sponsors & donors	The excellent reputation of TU Brno Racing	Requirement is to build a new model of vehicle
Possible decrease in financing due to a political issue	Not sufficient support from the university	Quality of student's education/knowledge	Development of new parts Upgrading the parts
Closely linked to the University		Demographical factors	

2.4 Marketing mix

The objective of the business part of the Formula Student competition is to evaluate the team's ability to develop and deliver a comprehensive business model how their product – a prototype race car – could become a rewarding business opportunity.

TU Brno Racing, of course, can not develop a racing vehicle that would be reasonable for mass production. Its primary goal is to win the competition – get as many points as possible. However, a vehicle that has the capabilities to win against its competitors in the Formula Student competition – that means light weight of the vehicle, powerful engine, low center of gravity and other specifications – demands a lot of constant maintenance and a team of skilled mechanics that are able to take good care of the vehicle whenever needed.

This marketing will analyze the marketing mix of the final product of TU Brno Racing team – formula vehicle, model Dragon 8, even though it is not a standard product that one could buy in a showroom (yet).

Price

Price of the formula model of the TU Brno Racing team consists of two components; the material and mechanical components the formula is built from and also from the work of the students.

It is quite hard to determine the cost of materials and components because they are given to the team by sponsors and are often customized to the team's needs. Therefore they do not have any unified cost. The formula – Dragon 8 is built from carbon monocoque to improve the weight, various aluminum parts, special tires and other components. Author's rough estimate would be production cost of the formula considering only the components and materials to be around three million crowns.

In the development of Dragon 8 was spent over 35 000 work hours. If that amount of hours were multiplied by a little reward of 120 CZK per hour for this kind of job, that would give another 4,2 million CZK. That results in the total price of the formula (that is only an estimate) around 7,2 million CZK.

In this price is not considered the background and support the university gives to the TU Brno Racing team.

Examples of materials & components for building the formula vehicle.



Picture 1
 Bodywork, aerodynamics packet, wing holders, undertray, intake system, head restraint, fuel tank, muffler holders - everything made of carbon fabric from Tomuli Carbon Composites.



Picture 2
 Carbon monocoque for Dragon 8 cured with the help of Jetsurf.

Place

As the place for selling the vehicle serves basically any place where the TU Brno Racing represents itself. That includes competitions and other events where the team happens to be. During events as a day of open doors or similar, the public can see the formula vehicle, and there is usually also an older model of Dragon with the simulator installed in it, so they can try the experience of driving formula. Potential buyers might see the product during these or similar happenings.

Table 7 Events attended by TU Brno Racing Source: TU Brno Racing

Date	Events for team partners and the public
21. - 24.09. 2017	Formula Moscow, Rusko
23.09.2017	Exhibition BUT Rectorate
18. - 20. 2017	Exhibitions in front of BUT faculties
9.9.2017	Day of open doors Continental, Otrokovice
08. - 13. 08. 2017	Formula Student Germany 2017, Hockenheim, Germany
01. - 05.08. 2017	Formula Student Czech Republic 2017, Most
20. - 23. 07. 2017	Formula Student East 2017, Euroring - orkény, Hungary
22. - 23. 06. 2017	Conference SVS FEM Ansys Users' Meeting 2017
17.06.2017	Children's day in ALFUN, Bruntál
08. - 09. 06. 2017	A celebration of the 20th anniversary of Vydon, Pravčice
01. - 02. 06. 2017	ZF Race Camp 2017, Friedrichshafen
31.05.2017	57th Zlín Film Festival
13.05.2017	Open Day AGROTEC, Hustopeče
6.5.2017	Brněnský Majáles, Trade Fairs and Exhibition Center Brno
4.5.2017	Operation review - Continental Púchov, Slovensko
28.04.2017	ROLL OUT - Dragon 7, Faculty of Mechanical Engineering, Brno University of Technology
22.04.2017	High-Tech Day, Bosch, Jihlava
19.04.2017	Day of open doors Ricardo, Praha
18.04.2017	Strojařské schody, Faculty of Mechanical Engineering, Brno University of Technology
12.4.2017	TE Connectivity roadshow, FSI VUT v Brně

07. - 08. 04. 2017	V4 Hackathon
29.03.2017	EBEC Brno 2017 – finals
23. - 24.03. 2017	Technology seminar DATRON, Technoloy park Brno
24.02.2017	Day of open doors - COPT Kroměříž
27. - 29. 01. 2017	Presentation of secondary schools in OC Olympia
13.01.2017	Open day at the FSI
15.12.2016	Christmas party TE Connectivity
08. - 09. 12. 2016	HISE. Faculty of Electrical Engineering and Communication, Brno University of Technology
2.12.2016	Day of open doors, Faculty of Mechanical Engineering, Brno University of Technology
1.12.2016	FabLab — innovation ecosystem
24.11.2016	Techfestm Fakulta elektrotechniky a komunikačních technologií VUT v Brně
23.11.2016	Filming a university promotional video
10.11.2016	Břeclavský fortel
9.11.2016	Bosch Day, Faculty of Mechanical Engineering, Brno University of Technology
01. - 04. 11. 2016	Gaudeamus Brno 2016, Trade Fairs and Exhibition Center Brno
4.11.2016	SPORT Life, Trade Fairs, and Exhibition Center Brno
28.10.2016	Continental Day Púchov
23.10.2016	Day of an open ring, Automotodrom Brno
19.10.2016	Mov'in Europe, Faculty of Business, BUT
03. - 07. 10. 2016	International Engineering Fair 2016
03. - 07. 10. 2016	Week of open doors in Transtech Tooling, Popůvky
30. 9. - 01. 10. 2016	Zlín Region Day, Zlín
30.09.2016	Night of scientists, Brno
28.09.2016	Day of open doorsí Kordárna Plus a.s., Velká nad Veličkou
26.09.2016	Recruitment presentation
25.09.2016	Family day — Bosch, Praha
24.09.2016	The opening ceremony of the new car showroom — Agrotec, Modřice u Brna
19. - 21.09.2016	Exhibitions in front of BUT faculties
27.08.2016	Bosch Day, Jihlava
25. - 28. 08. 2016	Barum Czech Rally Zlín

Product

TU Brno Racing wants to serve the market with its single seat formula race vehicle Dragon 8. The key points best describing the product are drivability, handling characteristics and high-end feeling.

The Dragon 8 prides itself on possession of turbocharged engine granting the car higher performance and technical advantage over its competitors. Also, customers are provided with a choice of own customization in order to achieve the desired car.

The car is suitable for those who are fans of motorsport, love to watch racing and even more love to race themselves. Various tests are concluded in order to achieve the best possible level of performance and reliability of the vehicle.

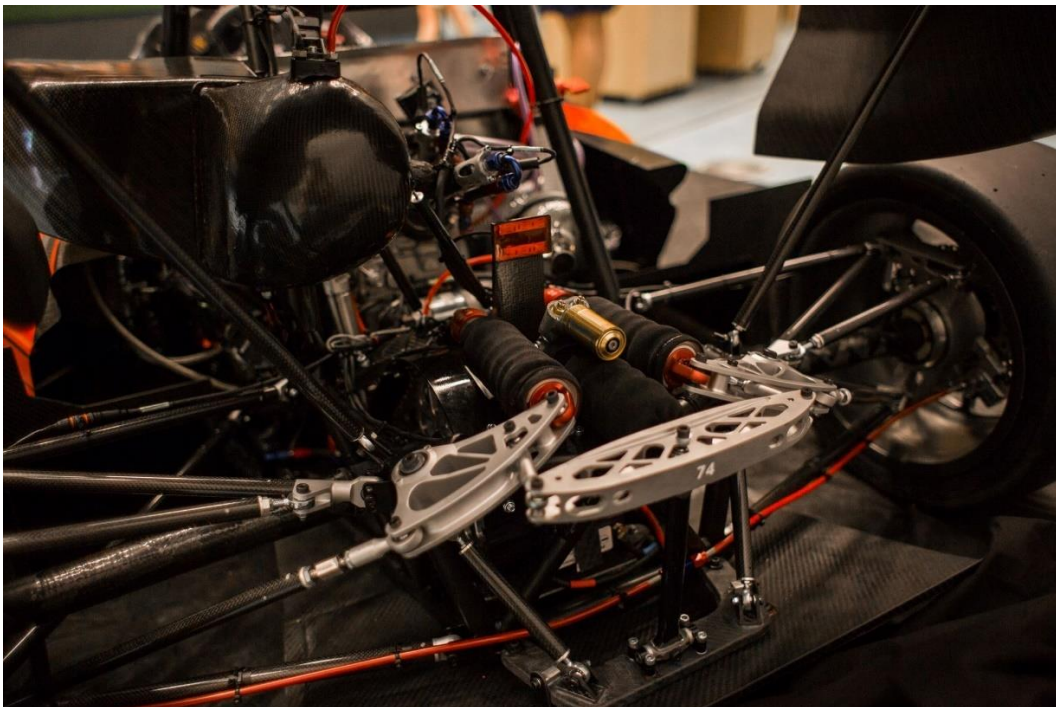
For this purpose is vehicle tested on racing rings. While testing, special sensors are measuring various aspects and the data received can be later used to improve the performance or driving style even though the vehicle is “just” in the workshop.

To keep the vehicle as light as possible, carbon parts are used where possible and also parts from light alloys.

Dragon 8 Roll Out (May 9, 2018, BUT Faculty of Engineering)



Picture 3
Front view of the Dragon 8



Picture 4
Detail rear view of the Dragon 8

Promotion

Facebook

The activity of TU Brno Racing and its team members is primarily promoted through the Facebook profile of TU Brno Racing, which had more than 5,100 fans by June 25, 2018. A published post can also reach more than 31,000 people interested in this field.

The Facebook page is constantly updated with the latest news from TU Brno Racing team – interesting videos and pictures from the workshop where everything is constructed. The team also uses Facebook as a channel to thank (and promote) its sponsors who are supplying the team with different parts that are necessary to build the vehicle or other products like a camera used for promotion purposes.

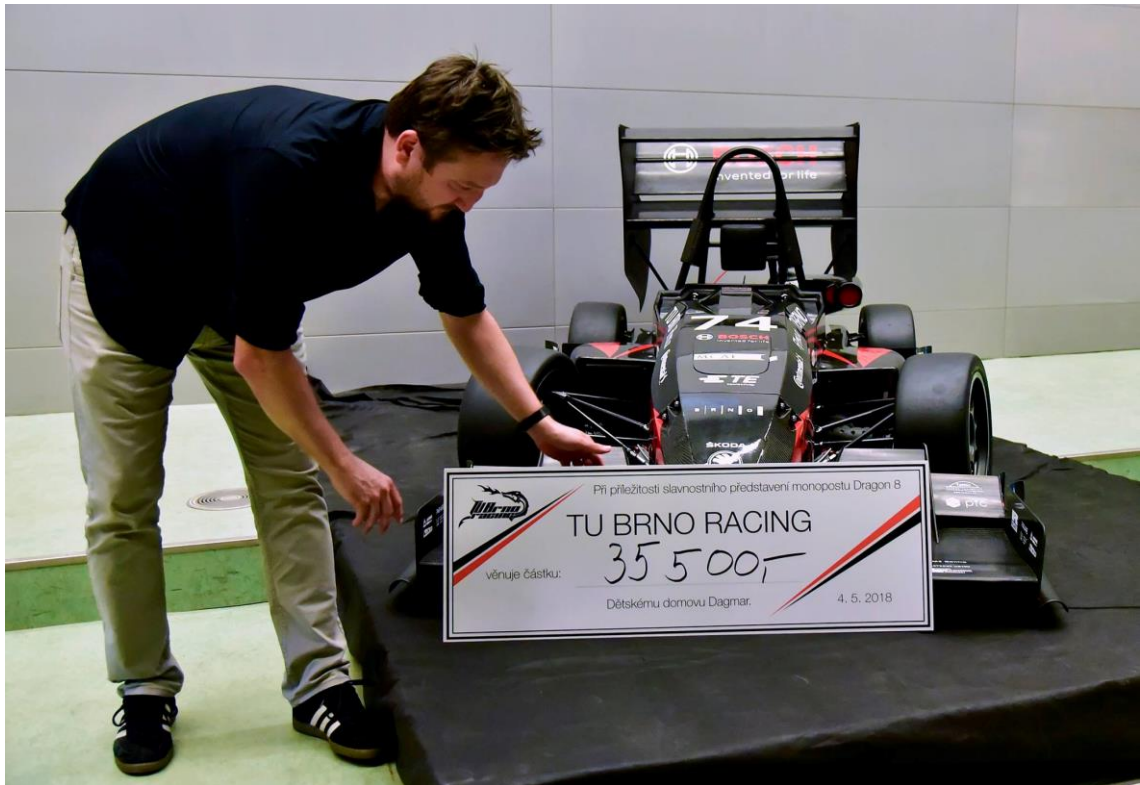
The Facebook profile manager is actively sending requests to like and follow the team's Facebook profile to people who might be interested. Thanks to Facebook, the team is also staying in touch with other teams from the Formula Student competition and share some interesting information that can be beneficial for both parties.

Events

TU Brno Racing is visiting many events each year. The sponsors of the team hold many of such events, some of them are related to the Brno University of Technology. Apart from the newest formula model that is usually exhibited on such events, the team has also portable formula simulator (made from older version Dragon 5) that enables to try the experience of driving a formula (even though with limitations of course). This simulator has success among the visitors of events.

During some special occasions, the TU Brno Racing team is also trying to raise awareness about those who need help. The team is working with children's orphanage Dagmar and during the rollout of Dragon 8 auction managed to raise almost 36,000 CZK.

Apart from the auction for the orphanage, team members are also visiting the Faculty Hospital of Brno to donate blood.



Picture 5 Money raised for the orphanage Dagmar during the Roll out of Dragon 8



Picture 6

Chance to try the Dragon simulator

In the table below are listed articles, reports other promotion-related activities that took place during the season 2017. TU Brno Racing team was also invited in ČT1 and TV Barrandov television stations. Both of them have huge number of viewers.

Table 8 Promotion channels Source: TU Brno Racing

Promotion channel	Message of promotion
Události (15. 9. 2017)	Team achievements + recruiting new members
Svět formule (12. 9. 2017)	Winner of the Formula Student Czech Republic competition
TV Barrandov (22. 8. 2017)	Report on winning the Formula Student Czech Republic
TV Stisk (24. 5. 2017)	Dragon 7 Report
ČT 1 (2. 5. 2017)	Introducing the Dragon Formula and Dragon Monopost Project 7
Munimedia (30. 4. 2017)	Launch of Dragon 7
FME (29. 4. 2017)	Launch of Dragon 7
Technický týdeník (28. 4. 2017)	Invitation to Celebration of Dragon 7
Události (14. 12. 2016)	Noc vědců (Night of Scientists)
Amagazín (zima 2016)	Opening of the Agrotec car showroom
ATZ extra (11. 2016)	Propulsion Unit of Dragona
E15 (2. 11. 2016)	Invitation to the Gaudeamus Education Fair
Brněnský deník (1. 11. 2016)	Gaudeamus Education Fair
Události (19. 9. 2016)	International Engineering Fair
REGIONVYSOCINA.CZ (29. 8. 2016)	Event We are Bosch
Automobil (12. 8. 2016)	Launch of Dragon 6



Picture 7 TU Brno Racing on ČT1 TV channel with Dragon 7

Merchandise

In 2017, the team has expanded its portfolio of a fashion collection and other items by caps, sweatshirts, t-shirts, and mugs. Traditionally, a calendar and a series of official team clothing have been designed, containing the logos of the team's platinum sponsors.

Merchandise products are currently available only to team members that first have to bring specific value to the team and prove themselves. All items are trendy so far and offer an excellent opportunity to monetize this merchandise in the future when offering it to the public as well.

The cost of manufacturing these items usually oscillates around 30 – 40 % of the selling price. The t-shirt or any other piece is usually worn with pride, and it helps to promote TU Brno Racing team to those who have not heard about it yet.



Picture 8 example of T-shirt of TU Brno Racing (merchandise)



Picture 9 example of cap of TU Brno Racing (merchandise)

Website

TU BRNO Racing website contains the basic information. However it is not updated, and the main focus goes to Facebook where are most of the visitors.

2.5 Potential followers and customers

According to research conducted in February 2018, there's a significant potential to increase the number of followers (and potential customers) of the team. This research was conducted by checking the social media profiles of the Formula Student teams and websites of their universities.

Table 9 Formula fans, Source: Own

Table of Formula Students fans @ February 2017	
Number of universities	556
University students	12 991 755
Facebook followers	993 420
Instagram followers	396 420
Twitter followers	163 317

2.6 SWOT Analysis

Key findings from previous analysis and generally valid facts are summed up in SWOT analysis to identify strengths and weaknesses, respectively opportunities and threats of the formula team.

Strong points of the TU Brno Racing team are it's very successful competing in the Formula Student competition even though the team started in the competition only a few years ago. Also, very good cooperation with BUT, sponsors

Team weak point is not frequently updated website that could be used to generate more traffic and attract more visitors.

Opportunities are always the improvement of the technical aspects of the formula vehicle, its reliability and other factors. Trying to find and cooperate with even more partners and

sponsors. Also, to maximize the potential of the Formula Student universe and engage more fans in the TU Brno Racing team. Threats are insufficient support from sponsors and university, other teams, missing interest of students in joining the team.

Table 10 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Excellent reputation among the other competitors and the public • Competent team with skills and knowledge • Excellent support from the university • Outstanding cooperation with donors and sponsors • Good access to companies, possible help from their side • Access to racing rings where the formula can be tested (ŠKODA, TATRA) • Excellent results from the Formula Student competition (among the TOP 10) • Good PR (charity, events, media) • Unique know-how 	<ul style="list-style-type: none"> • Not updated webpage presentation
Opportunities	Threats
<ul style="list-style-type: none"> • Improving the formula • Involving even more partners • Creating a web platform that would target all Formula Student fans and benefit from it • Traveling to more racing events • The improved system of Traineeship 	<ul style="list-style-type: none"> • Other teams in respect of their budgets, know-how, patents • TU Brno Racing could potentially lose its sponsors and donors • Technical issues that would lead to not being able to compete • Not sufficient support from the university • Not enough students with the right mindset (the team has high fluctuate)

3 PROPOSALS

The third chapter is dedicated to the proposals for the TU Brno Racing team regarding the marketing strategy. The proposals are based on the previous analyses from the second chapter as well as internal knowledge of the formula team and the theoretical background from the first chapter. The essential task of proposals is to cope with the weak aspects of TU Brno Racing team, work on them and transform them into strong points in the future.

From the analytical part was concluded that the team has many different activities besides from constructing the formula vehicle itself. The team is also pursuing to be active in the field of co-operation with the university, the sponsors, promoting itself and its partners on various events and helping the needy.

The opportunity for improvement is to make better use of the website and work with the huge base of Formula Student fans of the competition. Thus, the proposal of marketing strategy will be more focused on the marketing on the internet also taking into account the constraints imposed by competition rules itself.

3.1 Executive Summary

FS HUB Logo



Picture 10 FS HUB logo

One-sentence pitch

“FS HUB” - a web platform that puts all Formula Student related information in one convenient place and helps to reach and monetize the audience

Description

TU Brno Racing aim is to bring together all existing and potential FS fans and offer them a web platform with a focus on cohesive user experience and high-value regularly updated content from the FS universe. This includes the interaction of teams and fans, companies and teams and strengthens the cooperation among FS teams. The ultimate goal of the FS HUB is to raise awareness of Formula Student, put all the information in one convenient place and increase cooperation among all participating entities in order to benefit the whole Formula Student competition.

Problem

Despite the growing popularity of Formula Student competition and its strong fan base, no website is offering the experience of finding all the information related to FS and chance to instantly connect with fans/teams/companies. Scattered social media profiles and websites cannot meet FS competition’s need for building deeper relationship among all participants.

Competitive Advantage

TU Brno Racing is one of the notoriously well-known teams in FS competition with excellent results in fan engagement and access to technological resources necessary to develop, maintain and grow FS HUB platform. The team also has experience with selling its own merchandise products which is one of the added functionality of FS HUB.

Market & Finances

The initial target will be 1,2 Million fans that are actively engaging with the FS teams they are following on Facebook. Based on this conservative assumptions and corresponding financial projections, the team expects to achieve total ROI of 481,48 % during the investment length of 5,3 years. In order to achieve this, the team is seeking a

reasonable investment of €270,000 as the costs associated with this platform are following:

- €28,000 est. cost of web-development & €20,000 HW equipment
- €18,000 including ongoing maintenance, marketing costs and four full-time employees (monthly estimation)

Payback period equals to 16 months. Acquiring new active fans out of the 13,000,000 students of the universities whose racing teams are involved in the FS competition seems highly probable.

FS HUB Business Model

- Free access for fans, teams, and organizations
- Revenue streams from ads, affiliate marketing, and merchandise
- Custom-tailored solutions for large enterprises

FS HUB ecosystem aims to be the fundamental source of information. It convinces fans in the service quality and converts them to ambassadors. It encourages new fans, teams, and companies to join the FS HUB leading to increased engagement and revenue.

Key Metrics

Monthly website visits, the total number of pages read per visit, average duration time on site, number of new/returning users, merch sales, etc.

The reason for creating FS HUB

Despite the growing popularity of Formula Student competition and its strong fan base, no website is offering the experience of finding all the information related to FS in one place and chance to instantly connect with fans/teams/companies. Scattered social media profiles and websites cannot really meet FS competition's need for building deeper relationship among all participants, because they are always, first of all, focused on the team that owns the social media profile or website. There's also a need to keep the fans engaged and well informed. Having the latest news is one thing, but TU Brno Racing team would like to see also interesting interviews with various teams and their members, in Europe as well as the rest of the world. Getting this perspective and staying in touch with all FS participants is crucial if the whole FS competition should get to a next level.

By that is not meant only creating a simple blog website even though that is also an essential part of FS HUB.

3.2 Target Audience and Market

The target audience is the Formula Student fans – only the amount of students studying at the universities that take part in the FS competition exceeds 12,000,000 people which creates a significant market potential. Looking at the very conservative version of the prediction, TU Brno Racing can expect to attract over substantial number of FS fans that are already actively involved in this competition and have a high level of engagement with their university teams. The research shows there are well over 1,000,000 fans actively engaging with FS teams and TU Brno Racing can confidently attract this number of visitors. The preview of survey from February 2018 when were counted fans on Facebook, Instagram, Twitter and V Kontakte studying at universities with FS teams (Appendix 1)

3.3 Marketing plan

It is crucial to choose an appropriate marketing strategy - focus on the target market segment, balance individual elements of the marketing mix, select appropriate means, and from the very beginning define the "position" of the organization.

Targets of marketing activities:

- Inform the potential consumers (followers and customers) about the new website platform/meeting place for all Formula Student fans, teams, partners and other stakeholders
- Introduce the functionality of the website platform
- Turn the visitors in returning visitors

3.4 Marketing mix

Product

TU Brno Racing team offers a virtual meeting place Formula Student fans always dreamt of, and the aim is nothing else than to connect people, share experiences and build thriving partnerships.

TU Brno Racing aim is to bring together all existing and potential FS fans to a web platform with a focus on cohesive user experience and regularly updated engaging content from the FS universe. This includes the interaction of teams and fans, companies and strengthens the cooperation among FS teams. The ultimate goal of the FS HUB is to raise awareness about Formula Student, put all the information in one convenient place and increase cooperation among all participating entities in order to benefit the whole Formula Student competition.

This entails creating a web platform that offers broad functionality and can be easily customized for the admin of the website on the one hand and on the other hand offers a fresh look and feel of the site with an integrated blog and simplified e-shop in order to sell the FS branded merchandise products. Also, a great place for all visitors to meet each other.

The FS HUB would offer a single virtual space:

Where **FS FANS** can

- Follow and interact with the teams they support
- Be updated about the latest news – important dates of races, exhibitions, ranking, etc.
- Read exclusive interviews and articles and other exclusive content created by our “Nomad“ journalists that would travel around the world to visit as many FS teams as possible and make exciting interviews, reportages
- Have an opportunity to buy merchandise product related to whole FS competition or to a particular team (clothing, car & formula accessories)
- Learn about the rules and understand the differences clearly
- Interact with the sponsors of the teams and learn more about them
- Learn valuable information via short video tutorials and how-to videos that could be later used during their studies or work

Where **FS TEAMS** can:

- Share the experience and know-how with other formula teams
- Get to know other teams that are not usually competing in the close area better
- Connect with the companies that are interested in sponsoring FS teams
- Receive finances for their project via crowdfunding section
- Sell their merchandise

Where **PARTNERS** can:

- Find new employees with experience in the Formula Student competition
- Increase the company brand awareness

Price

Price for the users and sources of FS HUB's income emerges from advertising and merchandise. Free access for fans, teams and smaller organizations is a matter of course.

Revenue streams from:

- *Advertising* – not very innovative but standard and tested way of monetizing a website (Google AdSense),
- *Affiliate marketing* – convenient way how to find interesting information related to FS for visitors with recommendations from credible people that might have already used these information – affiliate on books, e-books, video courses and other products,
- *Merchandise* – having a rich experience of selling own TU Brno Racing branded merchandise, the team can advise other teams with their own products. FS HUB should also produce and sell products that will be easily recognizable to whole FS competition (focusing on topics all FS teams are facing at a time). That may be not only clothing (t-shirts, polo shirts, hoodies, hats etc.) but also car and formula accessories. For example tire covers. TU Brno Racing team is able to purchase and produce clothing product for 30–40 % cost of the selling price giving the team a healthy margin.
- *Crowdfunding* – In order to help teams to raise money for their activities related to improving their chances in the FS, TU Brno Racing team would launch a

crowdfunding platform similar to Kickstarter but less restricted to offer FS Teams a convenient way how to fund their ideas. The average crowdfunder is a FS team fan who wants to support his/her favorite team/s with a small donation so the team can develop a new part for their formula or improve the existing ones.

With this approach, TU Brno Racing would help to generate revenue for all FS teams that will participate in FS HUB and provide them with mentoring and offer an experienced opinion for their own merchandise products. All teams can also cooperate and reap the benefit of making orders in higher volumes, therefore enjoying lower prices.

Possible option to add fund-raising functionality later will bring an opportunity for the fans to help their favorite teams by supporting them with a small financial donation so the teams can improve. Either they can invest the money in their current equipment, develop a new one or do anything else that shall help them to be successful at FS competition. FS HUB would be charging a small fee for providing this service.

Involving the companies will help them to attract and find employees with proven work experience and also build their brand.

FS HUB ecosystem aims to be the fundamental source of information. It convinces fans in the service quality and converts them to ambassadors. It encourages new fans, teams, and companies to join the FS HUB leading to increased engagement and revenue.

Promotion

Description of different promotions is explained in the chapter Marketing communication channels.

Place

The marketplace for FS HUB web platform is the internet.

3.5 Marketing communication channels

Guerilla marketing

Imagine the Dragon formula pulled over on the highway (at a gas station pump) - The driver of a formula dressed in the racing suit and a helmet addresses the drivers who stopped at the gas station pump asking them if they happen to have some ethanol or

something ridiculous for the conventional driver/car user (Dragon is fueled by Ethanol). At first, the formula driver keeps pulling the leg of the driver and making fun of him looking very seriously. The formula driver would later admit that it was just a joke and hidden camera was recording the reactions of the drivers. Then the formula driver invites the conventional driver to the Dragon simulator waiting in the trailer nearby. All this would be recorded and would create content for making viral video and campaign raising awareness about the FS HUB, Formula Student, and TU Brno Racing team. The whole performance would have written an excellent script as well as a good actor starring as the formula driver.

Crowdfunding

Crowdfunding would help to create more awareness about the FS HUB as well as to maintain its primary function to raise money. The teams would be eager to promote more their crowdfunding request across the internet and anywhere else so the potential funders would come to FS HUB web platform to learn more.

Website presentation

The web platform as a basic mean of marketing communications on the Internet will consist particularly of blog section, tutorial section, profiles of teams and team members, online store, crowdfunding functionality, the profile of partners/companies.

If the web platform shall offer the convenience FS HUB promotes, then the rules and practices of accessibility and usability must be respected in the web platform development.

Online store

Will offer the opportunity to buy some of the merchandise of TU Brno Racing, merchandise related to whole Formula Student competition as well as merchandise of other teams. Merchandise should mainly consist of essential clothing like t-shirts, caps, hats, hoodies, jackets and smaller items like mugs, keychains. Also, some really useful parts for FS teams – car tire protector used after the tires are very hot and tend to absorb all the dirt on the road.

Partner's profiles

Will assure that the companies and partners that are supporting the Student Formula competition will be seen by thousands of fans that can turn into potential future employees. Partners of TU Brno Racing are always delighted to work with the team members and are much more likely to hire them because they have already seen their work results and know they can work well in the team.

For students, it will mean that they can stay updated about all the job opportunities in one place. They can also consult their work on the vehicle or ask for advice.

3.6 Risk and Opportunities

Risk

The most significant risk TU Brno Racing team is facing is the danger of not attracting enough visitors to generate sufficient revenue from the ads or merchandise. The way the team will mitigate this risk is through various social media campaigns that will explain the benefits of using FS HUB platform and also by promoting the website on social media and of course promoting the FS HUB during races and competitions. This way, the team will ensure there will be sufficient amount of visitors at the time the platform is launched. From then over, the team will make sure to fill the website with compelling content that brings value to our FS HUB visitors and all other parties involved in the FS HUB.

Opportunities

The most significant opportunity team see to introduce is a new way how to reach and monetize the FS audience effectively. TU Brno Racing believes this will benefit all FS participants.

3.7 Proposal timetable

1st phase

- Contact with the contractor that will provide the technical services related to FS HUB platform will be signed by October.
- Initial design work of the new site will be complete by October
- Final design work of the new site and integration of the site and blog will be complete by October

- Initial website traffics assessments will occur by November

2nd phase

- Integration of the e-shop for merchandise will be complete by November
- The initial version of affiliate marketing will be complete by November
- Implementing forum functionality will be complete by December

3rd phase

- Implementing of crowdfunding functionality will be complete by March 2019

3.8 Financial budget

The costs associated with this platform are estimated for €28,000 for the web platform and €20,000 for HW equipment then the ongoing monthly cost of approx. €18,000 for salaries (promotion, marketing, business partnerships, etc.). Therefore the team requires €270,000 to cover the initial expenses and get in a phase where positive net income will be generated monthly.

Based on our conservative assumptions and corresponding financial projections, it is expected to achieve ROI of 481,48 % during the investment length of 5,3 years (the net income is expected to grow by 30 % yearly). The Payback period is forecasted to 16 months.

The amount was consulted with various experts from different fields (web designing, web application designing, UX, programmers, etc.).

TU Brno Racing has financial projections for the next three years – namely the balance sheet, income statement and cash flow.

3.9 Financial projection

BALANCE SHEETS (2018 – 2020)

Table 11

CURRENT ASSETS (YR)	2018	2019	2020
MONTH	12	12	12
cash	(74229.00)	250638	1610175
TOTAL CURRENT ASSETS (€)	74	250638	1610175
FIXED ASSETS			
MONTH	12	12	12
machinery & equipment	6000	27999	27999
accumulated depredation	(1458.00)	(7000.00)	(14000.00)
TOTAL FIXED ASSETS NET(€)	13	20,999	13,999
TOTAL ASSETS(€)	62	271,638	1,624,174
CURRENT LIABILITIES			
MONTH	12	12	12
accounts payable	9209	13736	22579
TOTAL CURRENT LIABILITIES(€)	9,209	13736	22579
LONG-TERM LIABILITIES			
MONTH	12	12	12
TOTAL LONG-TERM LIABILITIES(€)	0	0	0
TOTAL LIABILITIES(€)	9,209	13736	22579
SHAREHOLDER'S EQUITY			
MONTH	12	12	12
paid in capital	0	0	0
additional equity injections	0	0	0
owner draw	0	0	0
retained earnings	(70898.00)	257902	1601595
TOTAL EQUITY(€)	-70,898	257902	-70,898
TOTAL LIABILITIES AND EQUITY (€)	(61,688)	271,638	1,624,174

INCOME STATEMENTS (2018 – 2020)

Table 12

SALES (YR)	2018	2019	2020
MONTH	12	12	12
general	18617	94043	197523
TOTAL(€)	18617	94043	197523
COST OF GOODS SOLD			
MONTH	12	12	12
cogs merch	568	8271	25959
TOTAL (€)	568	8271	25959
GROSS MARGIN			
MONTH	12	12	12
gross margin	18049	85772	171564
percent	97%	91%	87%
OPERATING EXPENSES			
MONTH	12	12	12
accounting	400	700	700
advertising	4500	4500	4500
bank charges	100	100	100
insurance	90	90	90
legal and professional	0	0	0
miscellaneous	200	250	250
telephone	60	60	60
travel	2000	2000	2000
wages/salaries	10000	11000	11000
FS HUB development	500	500	500
EBITDA			
MONTH	12	12	12
EBITDA €	199	66,572	199
loan interest expense	0	0	0
income tax	0	0	0
depreciation expense	(292.00)	(583.00)	(583.00)
NET INCOME			
MONTH	12	12	12
TOTAL €	-93	65,989	151,780

CASH FLOW (2018 – 2020)

Table 13

CASH BALANCE €	-74,509	183,239	1,456,631
CASH RECEIPTS			
MONTH	12	12	12
service sales	18617	94043	197523
loans	0	0	0
investors	0	0	0
TOTAL CASH RECEIPTS €	18617	94043	197,523
CASH DISBURSEMENTS			
MONTH	12	12	12
cost of goods sold	487	7444	24779
accounting	400	700	700
advertising	4500	4500	4500
bank charges	100	100	100
insurance	90	90	90
legal and professional	0	0	0
miscellaneous	200	250	250
telephone	60	60	60
travel	0	2000	2000
wages/salaries	2000	11000	11000
FS HUB development	10000	500	500
owner draw	500	0	0
capital purchases	0	0	0
loan interest expense	0	0	0
loan principal expense	0	0	0
income taxes	0	0	0
TOTAL CASH DISBURSEMENTS €	18,337	26,644	43,979
NET CASH FLOW €	280	67,399	153,544
CUMULATIVE CASH FLOW €	-74,229	250,638	1,610,175

PROFIT AND LOSS AT A GLANCE						
	2018		2019		2020	
Revenue	€58,675	100%	€606,856	100%	€1,775,656	100%
Cost of Goods Sold	€1,414	2%	€38,514	6%	€194,564	11%
Gross Profit	€57,261	98%	€568,341	94%	€1,581,093	89%
Operating Expenses	€126,700	216%	€234,000	39%	€230,400	13%
Net Income	€(70,898)	-121%	€328,800	54%	€1,343,693	76%

KEY RATIOS			
	2018	2019	2020
Sales Growth	N/A	934%	193%
Gross Profit Margin	98%	94%	89%
Profit Margin	-121%	54%	76%

Figure 2 Profit & Loss at a glance Source: own

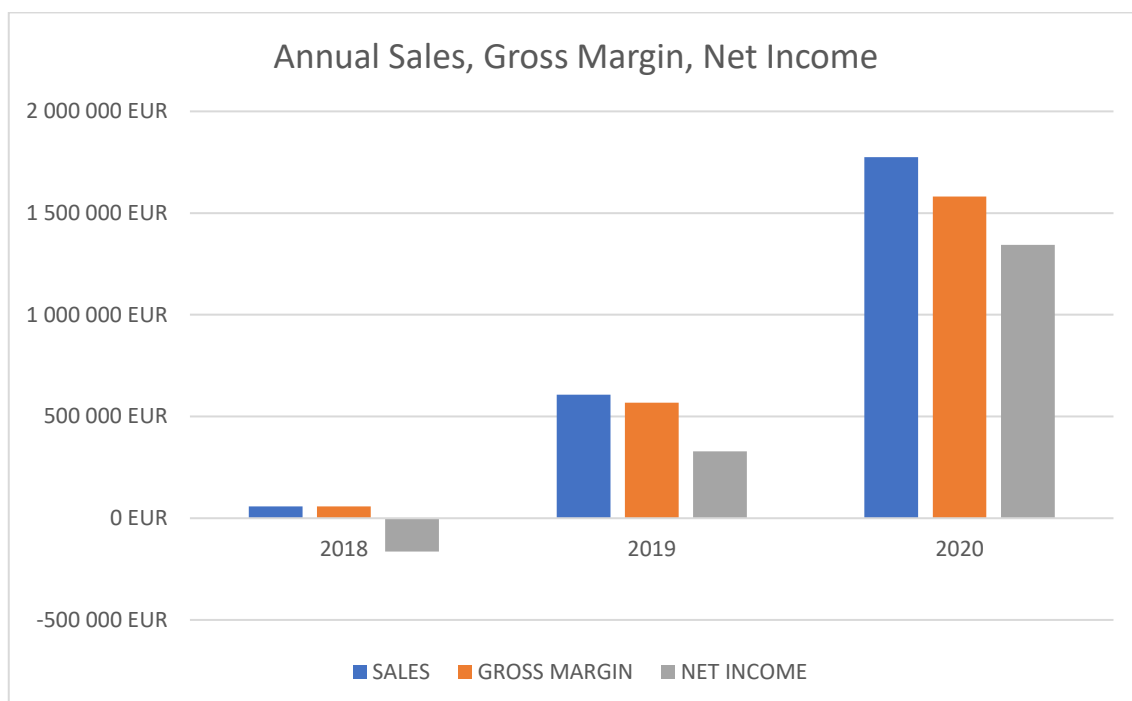


Figure 3 Annual Sales, Gross Margin, Net Income chart

3.10 Benefits of the proposal

The benefits TU Brno Racing team expects from this project are increased awareness about the Formula Student competition in the first place from which as the team believe will benefit not only all Formula Student teams and the whole competition but of course also TU Brno Racing team as the creator of this idea.

Other financial benefits include revenue for the team from the merchandise sold in the online store, revenue from advertising, crowdfunding or affiliate program that can also be implemented. Other aspects linked more directly to Formula Student competition include improved ranking in appearing in the search results on keywords as “formula student“, “FS“, on Google, Bing, Yahoo!, and other search engines. The fresh look and feel of the FS HUB should also encourage visitors to share the content with other people. SEO capabilities should result in not only in high ranking in search results, but also save money on marketing because it will offer relevant content to the right users.

The content on the FS HUB will be very easy to navigate and visually pleasing to read. The website will have the already mentioned functionality. High ongoing engagement and ease of navigation will result in higher revenue both from website advertising and incremental merchandise sales.

CONCLUSION

This diploma thesis aimed to develop a marketing strategy for the TU Brno Racing team. To do that, I utilized the theoretical knowledge from the first chapter, analyzed the formula team in the second chapter and proposed a possible solution in the last chapter.

I can conclude that I achieved the objective, which were set in the beginning – the marketing strategy revolves around the launch of web portal “FS HUB” that serves as a meeting place for all Formula Student fans. It helps to attract enough attention in the direction of TU Brno Racing and also fulfill other criteria that are given by the Formula Student rules that put a restriction on the standard product which is the formula vehicle that each team has to develop for every year. Purpose of the FS HUB is not only to promote and sell the merchandise or earn the revenue from other functions that the web platform offers.

Even though FS HUB is the product of TU Brno Racing, the web platform should benefit all stakeholders in the Formula Student universe – other teams, partners, fans. TU Brno Racing team believes it will contribute to the development of the Formula Student competition.

I enjoyed writing of this Master’s thesis, during its creation I had a chance to discuss the FS HUB idea with various people from various professional fields and learned a lot about marketing in motorsport, particularly in the Formula Student.

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Appendix 1: Preview of research of followers of Formula Student teams to estimate potential follower

Appendix 1:

Survey Data Preview 1

4	Name of the Universities	SUM of Facebook Followers	SUM of Instagram Followers	SUM of Twitter Followers	SUM of VKontakte Followers
5	Aalborg University	964		27	
6	AAU Racing	964		27	
7	AGH University of Science and Technology	7 315	1 182	123	
8	AGH Racing	7 315	1 182	123	
9	Aichi Institute of Technology				
10	AIT Student Formula Club				
11	Ain Shams University				
12	(prázdné)				
13	Ajou University				
14	(prázdné)				
15	Aligarh Muslim University	2 580	1 027	82	
16	ZHCET Formula Racing	2 580	1 027	82	
17	Alma Mater Studiorum - Università di Bologna	4 689	1 487	486	
18	UniBo Motorsport	4 689	1 487	486	
19	Aoyama Gakuin University				
20	Aoyama Gakuin univ. Racing Cars Inc.				
21	Aristotle University of Thessaloniki	10 589	1 374	1 051	
22	Aristotle Racing Team	10 589	1 374	1 051	
23	Arizona State University				
24	(prázdné)				
25	Aso College of Automotive Engineering and Technology				
26	ASO Racing				
27	Aston University	179	131	504	
28	Aston Racing	179	131	504	
1092	WVU Formula SAE	317	146	28	
1093	Western Michigan University	1 258	2	26	
1094	WMU Formula Racing	1 258	2	26	
1095	Western Sydney University				
1096	(prázdné)				
1097	Western University	1 817	755	681	
1098	Western Formula Racing	1 817	755	681	
1099	Western Washington University	3 995	1 356	38	
1100	Western Washington University Formula SAE	3 995	1 356	38	
1101	Wichita State University				
1102	(prázdné)				
1103	Worcester Polytechnic Institute	2 527			
1104	WPI Formula SAE	2 527			
1105	Wroclaw University of Technology	6 066	1 069	67	
1106	PWR Racing Team	6 066	1 069	67	
1107	Yeungnam University College				
1108	(prázdné)				
1109	Yildiz Technical University	7 243	2 076	1 275	
1110	YTU Racing	7 243	2 076	1 275	
1111	Yokohama National University				
1112	Yokohama National university Formula Project				
1113	York College of Pennsylvania				
1114	(prázdné)				
1115	Zhejiang University City College				
1116	(prázdné)				
1117	Celkový součet	1 011 032	402 843	165 429	17 982

SUM of Facebook followers = **1 011 032 students**

SUM of Instagram followers = **402 843 students**

SUM of Twitter followers = **165 429 students**

SUM of VKontakte followers = **17 982 students**

Survey Data Preview 2

4	Name of the Universities	Number of University Students
5	Aalborg University	21 427
6	AGH University of Science and Technology	35 531
7	Aichi Institute of Technology	5 851
8	Ain Shams University	170 000
9	Ajou University	14 295
10	Aligarh Muslim University	30 000
11	Alma Mater Studiorum - Università di Bologna	78 224
12	Aoyama Gakuin University	18 835
13	Aristotle University of Thessaloniki	81 500
14	Arizona State University	71 946
15	Aso College of Automotive Engineering and Technology	
16	Aston University	9 500
17	Auburn University	27 287
18	Bauman Moscow State Technical University	16 792
19	Ben-Gurion University of the Negev	19 523
20	Bergische Universität Wuppertal	21 949
21	Bhartiya Institute of Engineering and Technology	
22	Bialystok University of Technology	13 598
23	Birla Institute of Science and Technology Pilani - Dubai	200
24	Birla Institute of Technology & Science , Pilani	5 000
25	Birmingham City University	0
26	Bradley University	5 458
27	Brno University of Technology	13 646
28	Brown University	8 884
29	Brunel University London	14 165
30	Cairo University	257 200
31	California Baptist University	9 157
538	Villanova University	10 842
539	Virginia Polytechnic Institute and State University	30 598
540	VIT University - Chennai	
541	VIT University - Vellore	
542	VŠB - Technical University of Ostrava	23 558
543	Warsaw University of Technology	30 982
544	Waseda University	52 078
545	Washington State University	50 800
546	Washington University in St. Louis	15 155
547	Wayne State University	27 222
548	West Virginia University	28 776
549	Western Michigan University	23 914
550	Western Sydney University	44 918
551	Western University	28 386
552	Western Washington University	15 060
553	Wichita State University	14 495
554	Worcester Polytechnic Institute	5 778
555	Wroclaw University of Technology	28 500
556	Yeungnam University College	6 256
557	Yıldız Technical University	35 029
558	Yokohama National University	10 070
559	York College of Pennsylvania	4 739
560	Zhejiang University City College	
561	Celkový součet	12 991 755

SUM of all students = **12 991 755 students**